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Illinois Anti-Predatory Lending Database Program

21

Certificate of Exemption



1301544116

Doc#: 1301544116 **Fee:** \$78.00
Karen A. Yarbrough RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 01/15/2013 04:49 PM Pg: 1 of 21

Report Mortgage Fraud
800-532-8785

The property identified as: **PIN:** 14-08-315-057-0000

Address:

Street: 4814-4846 N. CLARK STREET

Street line 2:

City: CHICAGO

State: IL

ZIP Code: 60640

Lender: FIRST BANK OF HIGHLAND PARK

Borrower: ANDERSONVILLE FLATS COMMERCIAL, LLC

Loan / Mortgage Amount: \$5,430,000.00

This property is located within the program area and is exempt from the requirements of 765 LCS 77/70 et seq. because it is commercial property.

Certificate number: F5789D6D-73D9-4D41-996D-B1BDA3E63815

Execution date: 01/09/2013

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Thomas A. McCarthy
 Quarles & Brady LLP
 300 N. LaSalle Street, Suite 4000
 Chicago, Illinois 60654

AFTER RECORDING RETURN TO:

First Bank of Highland Park
 633 Skokie Boulevard, Suite 322
 Northbrook, Illinois 60062
 Attn: Commercial Real Estate
 Loan Operations Manager

Space above this line for Recorder's Use

**MORTGAGE, ASSIGNMENT OF RENTS,
 SECURITY AGREEMENT AND FIXTURE FILING**

This Mortgage, Assignment of Rents, Security Agreement and Fixture Filing ("Mortgage") dated as of January 9, 2013, is given by ANDERSONVILLE FLATS COMMERCIAL, LLC, an Illinois limited liability company ("Mortgagor"), to FIRST BANK OF HIGHLAND PARK, as mortgagee ("Lender").

Andersonville Flats Residential, LLC, an Illinois limited liability company (the "Borrower"), has entered into a Loan Agreement with Borrower ("Loan Agreement") of even date herewith pursuant to which Lender has agreed to loan to the Borrower a loan ("Loan") in the principal aggregate sum of up to Five Million Four Hundred Thirty Thousand and No/100 Dollars (\$5,430,000.00). The Loan is evidenced by a certain Promissory Note (the "Note") in the amount of the Loan and of even date herewith, all on the terms and conditions as are set forth in the Note and the Loan Agreement.

As security for the payment of the Note, Borrower has executed that certain Mortgage, Assignment of Rents, Security Agreement and Fixture Filing of even date herewith ("Andersonville Flats Residential, LLC Mortgage").

Mortgagor has executed that certain Loan and Continuing Guaranty dated of even date herewith (the "Guaranty") guaranteeing the Borrower's payment of the Note and the Borrower's compliance with the terms of the Loan Agreement.

To provide additional security for the payment of the Note, for the Mortgagor's obligations under the Guaranty, and all other Secured Obligations (as hereafter defined) of the Borrower and/or Mortgagor to the Lender, Mortgagor has agreed to execute this instrument and make this Mortgage, with full knowledge of the terms contained herein and in the Note and the Loan Agreement.

1. GRANT.

1.1 The Property. For the purpose of securing payment and performance of the Secured Obligations defined in Section 2 below, Mortgagor hereby irrevocably and unconditionally grants, conveys, transfers, assigns mortgages and warrants to Lender, upon the statutory mortgage condition for

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breach of which this Mortgage is subject to foreclosure as provided by law, with mortgage covenants and right of entry and possession, all estate, right, title and interest which Mortgagor now has or may later acquire in the following property (all or any part of such property, or any interest in all or any part of it, together with the Personality (as hereinafter defined) being hereinafter collectively referred to as the "Property"):

(a) The real property located in the County of Cook, State of Illinois, as described in Exhibit A hereto (the "Land");

(b) All buildings, structures, improvements, fixtures and appurtenances now or hereafter placed on the Land, and all apparatus and equipment now or hereafter attached in any manner to the Land or any building on the Land, including all pumping plants, engines, pipes, ditches and flumes, and also all gas, electric, cooking, heating, cooling, air conditioning, lighting, refrigeration and plumbing fixtures and equipment (collectively, the "Improvements");

(c) All easements and rights of way appurtenant to the Land; all crops growing or to be grown on the Land (including all such crops following severance from the Land); all standing timber upon the Land (including all such timber following severance from the Land); all development rights or credits and air rights; all water and water rights (whether riparian, appropriative, or otherwise, and whether or not appurtenant to the Land) and shares of stock pertaining to such water or water rights, ownership of which affect the Land; all minerals, oil, gas, and other hydrocarbon substances and rights thereto in, on, under, or upon the Land;

(d) All existing and future leases, subleases, subtenancies, licenses, occupancy agreements and concessions relating to the use and enjoyment of all or any part of the Land or the Improvements, and any and all guaranties and other agreements relating to or made in connection with any of the foregoing;

(e) All proceeds, including all claims to and demands for them, of the voluntary or involuntary conversion of any of the Land, improvements, or the other property described above into cash or liquidated claims, including proceeds of all present and future fire, hazard or casualty insurance policies, whether or not such policies are required by Lender, and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any breach of warranty, misrepresentation, damage or injury to, or defect in, the Land, improvements, or the other property described above or any part of them;

(f) All accounts, deposit accounts, instruments, chattel paper, documents, letters of credit, letter of credit rights, supporting obligations, permits, governmental approvals and entitlements, licenses, management contracts, and other contracts and agreements in which Mortgagor now has or may hereafter have an interest arising out of, or relating to, the acquisition, development, ownership, management or use of the Land (but without Lender assuming or incurring any obligation or liability of Mortgagor arising thereunder or relating thereto), and all general intangibles arising out of or relating to the acquisition, development, ownership, management or use of the Land, including all software and names by which the Improvements or other property associated therewith may at any time be known or operated and all rights to carry on business under such names or any variant thereof and all trademarks and goodwill in any way relating to the Improvements or such other property;

(g) All sales agreements, deposits, escrow agreements, and other documents and agreements entered into by Mortgagor with respect to the sale of all or any part of the Land or any interest therein;

(h) All plans and specifications prepared for construction of any Improvements, and all contracts and agreements of Mortgagor relating to such plans and specifications or to the

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construction of the Improvements, provided that nothing herein shall be deemed to be an assumption by Lender of any obligation of Mortgagor with respect to such plans and specifications or such construction or under any agreement relating thereto, nor shall Lender otherwise incur any liability with respect thereto unless and until Lender, in its sole and absolute discretion, shall hereafter expressly agree in writing;

(i) All profits, royalties, tolls, earnings, income and other benefits therefrom and installments of money payable pursuant to any agreement for sale of the Land or any part thereof or interest therein and any release, termination or "buy-out" consideration now or hereafter payable to Mortgagor with respect to any lease, rental, tenancy, occupancy or other agreement; and

(j) All proceeds of, additions and accretions to, substitutions and replacements for, and changes in any of the property described above.

1.2 Fixture Filing. This Mortgage constitutes a Security Agreement within the meaning of the Illinois Uniform Commercial Code ("Illinois UCC") and constitutes a financing statement filed as a fixture filing under the Illinois UCC, as amended or recodified from time to time, covering any Property which now is or later may become a fixture attached to the Land or any building located thereon. The addresses of Mortgagor (Debtor) and Lender (Secured Party) are set forth in Section 7.15 herein.

2. THE SECURED OBLIGATIONS.

2.1 Purpose of Securing. Mortgagor makes the grant, conveyance, transfer and assignment set forth in Section 1, makes the irrevocable and absolute assignment set forth in Section 3, and grants the security interest set forth in Section 4, all for the purpose of securing the following obligations (the "Secured Obligations") in any order of priority that Lender may choose:

(a) Payment of all obligations of Borrower to Lender arising under the following instruments, documents, and agreements:

(i) The Note, bearing interest at the per annum rate specified in the Note, payable by Borrower as maker in the stated principal amount of FIVE MILLION FOUR HUNDRED THIRTY THOUSAND AND NO/100 DOLLARS (\$5,430,000.00), and payable to the order of Lender, said Note having a maturity date of July 9, 2014, which Maturity Date can be extended until January 9, 2015, pursuant to and in accordance with the terms of the Note and the Loan Agreement.

(ii) A certain Loan Agreement dated of even date herewith (the "Loan Agreement"), between Borrower and Lender which provides for extensions of credit in a principal amount not exceeding FIVE MILLION FOUR HUNDRED THIRTY THOUSAND AND NO/100 DOLLARS (\$5,430,000.00).

(iii) Any and all other instruments, documents and/or agreements executed and delivered to Lender by Borrower or Mortgagor in connection with the Loan, whether presently existing or hereinafter entered into, securing or otherwise relating to the Loan, and any and all extensions, modifications, amendments, renewals, substitutions, replacements, restatements and supplements thereof, which evidence, secure, or are otherwise related to the Loan and the credit extended thereunder (collectively, together with the Note, and this Mortgage, the "Loan Documents").

This Mortgage also secures payment and performance of (i) all obligations of Borrower under the Loan Documents which arise after any of the Loan Documents are extended, renewed, modified or amended pursuant to any written agreement between Borrower and Lender, and all obligations of Borrower under any successor agreement or instrument, document or agreements which

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restates and supersedes any of the Loan Documents, (ii) any other debts, liabilities, or obligations owed by Borrower to Lender.

(b) Payment and performance of all obligations of Mortgagor under the Guaranty and under this Mortgage; and

(c) Payment and performance of all future advances and other obligations that Borrower and/or Mortgagor (or any successor in interest to Borrower and/or Mortgagor) may agree to pay and/or perform (whether as principal, surety or guarantor) to or for the benefit of Lender. This is a construction Mortgage and future advances will be made pursuant to the terms of the Loan Agreement.

This Mortgage does not secure any obligation which expressly states that it is unsecured, whether contained in the foregoing Loan Documents or in any other document, agreement or instrument. Unless specifically described in subparagraph (a) above or otherwise agreed in writing, "Secured Obligations" shall not include any debts, obligations or liabilities which are or may hereafter be "consumer credit" subject to the disclosure requirements of the Federal Truth in Lending law or any regulation promulgated thereunder.

2.2 Terms of Secured Obligations. All persons who may have or acquire an interest in all or any part of the Property will be considered to have notice of, and will be bound by, the terms of the Loan Documents described in Paragraph 2.1(a) and each other agreement or instrument made or entered into in connection with each of the Secured Obligations. These terms include any provisions in the Loan Documents which permit borrowing, repayment and reborrowing, or which provide that the interest rate on one or more of the Secured Obligations may vary from time to time.

2.3 Maximum Indebtedness. Notwithstanding any provision to the contrary in this Mortgage, the Note, or any other Loan Documents which permits any additional sums to be advanced on or after the date of this Mortgage, whether as additional loans or for any payments authorized by this Mortgage, the total amount of the principal component of the Secured Obligations shall not at any time exceed three hundred percent (300%) of the original principal amount of the Note set forth in Section 2.1 of this Mortgage.

3. ASSIGNMENT OF RENTS.

3.1 Assignment. Mortgagor hereby irrevocably, absolutely, presently and unconditionally assigns to Lender all rents, royalties, issues, profits, revenue, income and proceeds of the Property, whether now due, past due or to become due, including all prepaid rents and security deposits (collectively, the "Rents"), and confers upon Lender the right to collect such Rents with or without taking possession of the Property, provided there is an uncured default under the Loan Documents. In the event that anyone establishes and exercises any right to develop, bore for or mine for any water, gas, oil or mineral on or under the surface of the Property, any sums that may become due and payable to Mortgagor as bonus or royalty payments, and any damages or other compensation payable to Mortgagor in connection with the exercise of any such rights, shall also be considered Rents assigned under this Paragraph. THIS IS AN ABSOLUTE ASSIGNMENT, NOT AN ASSIGNMENT FOR SECURITY ONLY.

3.2 Grant of License. Notwithstanding the provisions of Paragraph 3.1, Lender hereby confers upon Mortgagor a license ("License") to collect and retain the Rents as they become due and payable, so long as no Event of Default, as defined in Paragraph 6.2, shall exist and be continuing. If an Event of Default has occurred and is continuing, Lender shall have the right, which it may choose to exercise in its sole discretion, to terminate this License without notice to or demand upon Mortgagor, and without regard to the adequacy of the security for the Secured Obligations.

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4. GRANT OF SECURITY INTEREST.

4.1 Grant of Security Interest. Mortgagor grants to Lender a security interest in, and pledges and assigns to Lender, all of Mortgagor's right, title and interest now or hereafter acquired in and to all of the following described personal property (collectively, the "Personalty"):

(a) All tangible personal property of every kind and description, whether stored on the Land or elsewhere, including, without limitation, all goods, materials, supplies, tools, books, records, chattels, furniture, fixtures, equipment, and machinery, and which in all cases is (i) used or useful or acquired in connection with any construction undertaken on the Land or the maintenance of the Land and the Improvements, or (ii) affixed or installed, or to be affixed or installed, in any manner on the Land or the Improvements;

(b) All crops growing or to be grown on the Land (including all such crops following severance from the Land); all standing timber upon the Land (including all such timber following severance from the Land); all water and water rights (whether riparian, appropriative, or otherwise, and whether or not appurtenant to the Land) and shares of stock pertaining to such water or water rights, ownership of which affect the Land; and all architectural and engineering plans, specifications and drawings, and as-built drawings which arise from or relate to the Land or the Improvements;

(c) All general intangibles and rights relating to the Property, including, without limitation, all permits, licenses and claims to or demands for the voluntary or involuntary conversion of any of the Land, Improvements, or other Property into cash or liquidated claims, proceeds of all present and future fire, hazard or casualty insurance policies, whether or not such policies are required by Lender, and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any breach of warranty, misrepresentation, damage or injury to, or defect in, the Land, Improvements, or other Property or any part of them;

(d) All deposit accounts from which Mortgagor may from time to time authorize Lender to debit payments due on the Secured Obligations, all rights and interests under all Swap Contracts, including all rights to the payment of money from Lender under any such Swap Contracts; and all accounts, deposit accounts, and general intangibles, including payment intangibles, described in any such Swap Contracts;

(e) All substitutions, replacements, additions, accessions and proceeds for or to any of the foregoing, and all books, records and files relating to any of the foregoing, including, without limitation, computer readable memory and data and any computer software or hardware reasonably necessary to access and process such memory and data.

5. RIGHTS AND DUTIES OF THE PARTIES.

5.1 Representations and Warranties. Mortgagor represents and warrants that Mortgagor lawfully possesses and holds fee simple title to all of the Land and the Improvements.

5.2 Taxes, Assessments, Liens and Encumbrances. Mortgagor shall pay prior to delinquency all taxes, levies, charges and assessments, including assessments on appurtenant water stock, imposed by any public or quasi-public authority or utility company which are (or if not paid, may become) a lien on all or part of the Property or any interest in it, or which may cause any decrease in the value of the Property or any part of it. Mortgagor shall immediately discharge any lien on the Property which Lender has not consented to in writing, and shall also pay when due each obligation secured by or reducible to a lien, charge or encumbrance which now or hereafter encumbers or appears to encumber all or part of the Property, whether the lien, charge or encumbrance is or would be senior or subordinate to this Mortgage. Mortgagor covenants and agrees with Lender to pay to Lender in addition to and

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concurrently with any other payments required in the Note secured by this Mortgage, monthly advance installments equal to 1/12 of the estimated annual real estate taxes for the Property, as estimated by Lender from time to time for the purpose of establishing an account for (i) payment of any or all taxes, assessments, special assessments, and (ii) following any default under the Loan Documents by Mortgagor that remains uncured beyond the applicable notice and cure period, payment of fire, casualty, liability, loss of rental income, and other insurance premiums, encumbrances and leasehold payments, security deposits, or other obligations secured by this Mortgage or required to be paid with respect to the Property.

5.3 Damages and Insurance and Condemnation Proceeds.

(a) Mortgagor hereby absolutely and irrevocably assigns to Lender, and authorizes the payor to pay to Lender, the following claims, causes of action, awards, payments and rights to payment (collectively, the "Claims"):

(i) all awards of damages and all other compensation payable directly or indirectly because of a condemnation, proposed condemnation or taking for public or private use which affects all or part of the Property or any interest in it;

(ii) all other awards, claims and causes of action, arising out of any breach of warranty or misrepresentation affecting all or any part of the Property, or for damage or injury to, or defect in, or decrease in value of all or part of the Property or any interest in it;

(iii) all proceeds of any insurance policies payable because of loss sustained to all or part of the Property, whether or not such insurance policies are required by Lender; and

(iv) all interest which may accrue on any of the foregoing.

(b) Mortgagor shall immediately notify Lender in writing if:

(i) any damage occurs or any injury or loss is sustained in the amount of One Hundred Thousand and No/100 Dollars (\$100,000.00) or more to all or any part of the Property, or any action or proceeding relating to any such damage, injury or loss is commenced; or

(ii) any offer is made, or any action or proceeding is commenced, which relates to any actual or proposed condemnation or taking of all or part of the Property.

If Lender chooses to do so, it may in its own name appear in or prosecute any action or proceeding to enforce any cause of action based on breach of warranty or misrepresentation, or for damage or injury to, defect in, or decrease in value of all or part of the Property, and it may make any compromise or settlement of the action or proceeding. Lender, if it so chooses, may participate in any action or proceeding relating to condemnation or taking of all or part of the Property, and may join Mortgagor in adjusting any loss covered by insurance.

(c) If the total damage or award is One Hundred Thousand and No/100 Dollars (\$100,000.00) or less and no Event of Default has occurred and is continuing under this Mortgage or any of the other Loan Documents (as defined in the Loan Agreement), Lender shall promptly release such funds to Mortgagor and Mortgagor shall use such proceeds to repair and/or restore the Property.

(d) All proceeds of the Claims assigned to Lender under this Paragraph shall be paid to Lender. In each instance, Lender shall apply those proceeds first toward reimbursement of all of Lender's costs and expenses of recovering the proceeds, including

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reasonable attorneys' fees. If, in any instance, each and all of the following conditions are satisfied in Lender's reasonable judgment, Lender shall permit Mortgagor to use the balance of such proceeds ("Net Claims Proceeds") to pay costs of repairing or reconstructing the Property in the manner described below:

(i) The plans and specifications, cost breakdown, construction contract, construction schedule, and contractor for the work of repair or reconstruction must all be reasonably acceptable to Lender;

(ii) Lender must receive evidence satisfactory to it that after repair or reconstruction, the Property would be at least as valuable as it was immediately before the damage or condemnation occurred;

(iii) The Net Claims Proceeds must be sufficient in Lender's reasonable determination to pay for the total cost of repair or reconstruction, including all associated development costs and interest and other sums projected to be payable on the Secured Obligations until the repair or reconstruction is complete; or Mortgagor must provide its own funds in an amount equal to the difference between the Net Claims Proceeds and a reasonable estimate, made by Mortgagor and found reasonably acceptable to Lender, of the total cost of repair or reconstruction;

(iv) No Event of Default shall have occurred and be continuing under this Mortgage, the Note, the Loan Agreement or any other Loan Document; and

(v) Lender must be reasonably satisfied that the repair or reconstruction can be completed prior to the maturity date of the Note (as such date may be extended).

If Lender finds that such conditions have been met, Lender shall hold the Net Claims Proceeds and any funds which Mortgagor is required to provide in an interest bearing account and shall disburse them to Mortgagor in accordance with Lender's commercial disbursement procedures. However, upon the occurrence and continuation of an Event of Default, Lender may apply the Net Claims Proceeds to pay or prepay (without imposing any prepayment fee) some or all of the Secured Obligations in such order and proportions as Lender in its sole discretion may choose.

5.4 Insurance. Mortgagor shall provide and maintain in force at all times all risk property damage insurance (including without limitation windstorm coverage, and hurricane coverage as applicable) on the Property and such other type of insurance on the Property as may be required by Lender in its reasonable judgment. At Lender's request, Mortgagor shall provide Lender with a counterpart original of any policy, together with a certificate of insurance setting forth the coverage, the limits of liability, the carrier, the policy number and the expiration date. Each such policy of insurance shall be in an amount, for a term, and in form and content satisfactory to Lender, and shall be written only by companies approved by Lender. In addition, each policy of hazard insurance shall include a loss payable endorsement in favor of Lender. **Pursuant to the requirements of the Illinois Collateral Protection Act, 815 ILCS 180/1, et seq. ("Collateral Protection Act"), Mortgagor is hereby notified that unless the Mortgagor provides Lender with evidence of the insurance coverage required by this Mortgage or the Loan Agreement, Lender may purchase insurance at Mortgagor's expense to protect Lender's interest in the Property. This insurance may but need not, protect Mortgagor's interests. The coverage that Lender purchases may not pay any claim that Mortgagor makes or any claim that is made against Mortgagor in connection with the Property. Mortgagor may later cancel any insurance purchased by Lender, but only after providing evidence that Mortgagor has obtained insurance as required by this Paragraph. If Lender purchases insurance for the Property, Mortgagor will be responsible for the costs of that insurance, including the insurance premium, interest and any other charges Lender may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs**

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of the insurance may be added to outstanding principal balance of the Secured Obligations. The costs of the insurance may be more than the cost of insurance Mortgagor may be able to obtain on its own.

5.5 Maintenance and Preservation of Property.

(a) Mortgagor shall keep the Property in good condition and repair and shall not commit or allow waste of the Property. Mortgagor shall not remove or demolish the Property or any part of it, or alter, restore or add to the Property, or initiate or allow any change in any zoning or other land use classification which affects the Property or any part of it, except with Lender's express prior written consent in each instance.

(b) If all or part of the Property becomes damaged or destroyed, Mortgagor shall promptly and completely repair and/or restore the Property in a good and workmanlike manner in accordance with sound building practices if Lender agrees to disburse insurance proceeds or other sums to pay costs of the work of repair or reconstruction under Paragraph 5.3. If Lender elects to retain the insurance proceeds and such insurance proceeds are sufficient to pay all Secured Obligations, Mortgagor shall have no further obligation to repair and/or restore the Property.

(c) Mortgagor shall not commit or allow any act upon or use of the Property which would violate any applicable law or order of any governmental authority, whether now existing or later to be enacted and whether foreseen or unforeseen, or any public or private covenant, condition, restriction or equitable servitude affecting the Property. Mortgagor shall not bring or keep any article on the Property or cause or allow any condition to exist on it, if that could invalidate or would be prohibited by any insurance coverage required to be maintained by Mortgagor on the Property or any part of it under this Mortgage.

(d) Mortgagor shall perform all other acts which from the character or use of the Property may be reasonably necessary to maintain and preserve its value.

5.6 Releases, Extensions, Modifications and Additional Security. Without affecting the personal liability of any person, including Mortgagor, for the payment of the Secured Obligations or the lien of this Mortgage on the remainder of the Property for the unpaid amount of the Secured Obligations, Lender may from time to time and without notice:

- (a) release any person liable for payment of any Secured Obligation;
- (b) extend the time for payment, or otherwise alter the terms of payment, of any Secured Obligation;
- (c) accept additional real or personal property of any kind as security for any Secured Obligation, whether evidenced by deeds of trust, mortgages, security agreements or any other instruments of security;
- (d) alter, substitute or release any property securing the Secured Obligations;
- (e) consent to the making of any plat or map of the Property or any part of it;
- (f) consent to granting any easement or creating any restriction affecting the Property;
- (g) join in any subordination or other agreement affecting this Mortgage or the lien of it; or
- (h) release the Property or any part of it from the lien of this Mortgage.

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5.7 Release. When all of the Secured Obligations have been paid in full and no further commitment to extend credit continues, Lender shall release the Property, or so much of it as is then held under this Mortgage, from the lien of this Mortgage.

5.8 Compensation and Reimbursement of Costs and Expenses.

(a) Mortgagor agrees to pay fees in the maximum amounts legally permitted, or reasonable fees as may be charged by Lender when the law provides no maximum limit, for any services that Lender may render in connection with this Mortgage, including Lender's providing a statement of the Secured Obligations. Mortgagor shall also pay or reimburse all of Lender's costs and expenses which may be incurred in rendering any such services.

(b) Mortgagor further agrees to pay or reimburse Lender for all costs, expenses and other advances which may be incurred or made by Lender to protect or preserve the Property or to enforce any terms of this Mortgage, including the exercise of any rights or remedies afforded to Lender under Paragraph 6.3, whether any lawsuit is filed or not, or in defending any action or proceeding arising under or relating to this Mortgage, including reasonable attorneys' fees and other legal costs, costs of any sale of the Property and any cost of evidence of title.

(c) Mortgagor shall pay all obligations arising under this Paragraph immediately upon demand by Lender. Each such obligation shall be added to, and considered to be part of, the principal of the Secured Obligations, and shall bear interest from the date the obligation arises at the rate provided in any instrument or agreement evidencing the Secured Obligations. If more than one rate of interest is applicable to the Secured Obligations, the highest rate shall be used for purposes hereof.

5.9 Exculpation and Indemnification.

(a) Lender shall not be directly or indirectly liable to Mortgagor or any other person as a consequence of any of the following:

(i) Lender's exercise of or failure to exercise any rights, remedies or powers granted to it in this Mortgage;

(ii) Lender's failure or refusal to perform or discharge any obligation or liability of Mortgagor under any agreement related to the Property or under this Mortgage;

(iii) Lender's failure to produce Rents from the Property or to perform any of the obligations of the lessor under any lease covering the Property;

(iv) any waste committed by lessees of the Property or any other parties, or any dangerous or defective condition of the Property; or

(v) any loss sustained by Mortgagor or any third party resulting from any act or omission of Lender in operating or managing the Property upon exercise of the rights or remedies afforded Lender under Paragraph 6.3, unless the loss is caused by the gross negligence or willful misconduct and bad faith of Lender.

Mortgagor hereby expressly waives and releases all liability of the types described above, and agrees that no such liability shall be asserted against or imposed upon Lender.

(b) Mortgagor agrees to indemnify Lender up to the full amount of the Loan against and hold Lender harmless from all losses, damages, liabilities, claims, causes of action, judgments, court costs, reasonable attorneys' fees and other legal expenses, cost of evidence of

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title, cost of evidence of value, and other costs and expenses which Lender may suffer or incur in performing any act required or permitted by this Mortgage or by law or because of any failure of Mortgagor to perform any of its obligations. This agreement by Mortgagor to indemnify Lender shall survive the release and cancellation of any or all of the Secured Obligations and the full or partial release of this Mortgage.

5.10 Defense and Notice of Claims and Actions. At Mortgagor's sole expense, Mortgagor shall protect, preserve and defend the Property and title to and right of possession of the Property, and the security of this Mortgage and the rights and powers of Lender created under it, against all adverse claims. Mortgagor shall give Lender prompt notice in writing if any claim is asserted which does or could affect any of these matters, or if any action or proceeding is commenced which alleges or relates to any such claim.

5.11 Representation and Warranty Regarding Hazardous Substances. Before signing this Mortgage, Mortgagor researched and inquired into the previous uses and ownership of the Property. Based on that due diligence, Mortgagor represents and warrants that to the best of its knowledge, no hazardous substance has been disposed of or released or otherwise exists in, on, under or onto the Property, except as Mortgagor has disclosed to Lender in writing. Mortgagor further represents and warrants that Mortgagor has complied, and will comply and cause all occupants of the Property to comply, with all current and future laws, regulations and ordinances or other requirements of any governmental authority relating to or imposing liability or standards of conduct concerning protection of health or the environment or hazardous substances ("Environmental Laws"). Mortgagor shall promptly, at Mortgagor's sole cost and expense, take all reasonable actions with respect to any hazardous substances or other environmental condition at, on, or under the Property necessary to (i) comply with all applicable Environmental Laws; (ii) allow continued use, occupation or operation of the Property; or (iii) maintain the fair market value of the Property. Mortgagor acknowledges that hazardous substances may permanently and materially impair the value and use of the Property. "Hazardous substance" means any substance, material or waste that is or becomes designated or regulated as "toxic," "hazardous," "pollutant," or "contaminant" or a similar designation or regulation under any current or future federal, state or local law (whether under common law, statute, regulation or otherwise) or judicial or administrative interpretation of such, including without limitation petroleum or natural gas.

5.12 Site Visits, Observation and Testing. Lender and its agents and representatives shall have the right at any reasonable time, after giving reasonable notice to Mortgagor, to enter and visit the Property for the purposes of performing appraisals, observing the Property, taking and removing environmental samples, and conducting tests on any part of the Property. Mortgagor shall reimburse Lender on demand for the costs of any such environmental investigation and testing. Lender will make reasonable efforts during any site visit, observation or testing conducted pursuant this Paragraph to avoid interfering with Mortgagor's use of the Property. Lender is under no duty, however, to visit or observe the Property or to conduct tests, and any such acts by Lender will be solely for the purposes of protecting Lender's security and preserving Lender's rights under this Mortgage. No site visit, observation or testing or any report or findings made as a result thereof ("Environmental Report") (i) will result in a waiver of any default of Mortgagor; (ii) impose any liability on Lender; or (iii) be a representation or warranty of any kind regarding the Property (including its condition or value or compliance with any laws) or the Environmental Report (including its accuracy or completeness). In the event Lender has a duty or obligation under applicable laws, regulations or other requirements to disclose an Environmental Report to Mortgagor or any other party, Mortgagor authorizes Lender to make such a disclosure. Lender may also disclose an Environmental Report to any regulatory authority, and to any other parties as necessary or appropriate in Lender's judgment. Mortgagor further understands and agrees that any Environmental Report or other information regarding a site visit, observation or testing that is disclosed to Mortgagor by Lender or its agents and representatives is to be evaluated (including any reporting or other disclosure obligations of Mortgagor) by Mortgagor without advice or assistance from Lender.

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6. ACCELERATING TRANSFERS, DEFAULT AND REMEDIES.

6.1 Accelerating Transfers

(a) "Accelerating Transfer" means any sale, contract to sell, conveyance, encumbrance, lease not expressly permitted under the Loan Agreement, or other transfer, whether voluntary, involuntary, by operation of law or otherwise, of all or any material part of the Property or any interest in it, including any transfer or exercise of any right to drill for or to extract any water (other than for Mortgagor's own use), oil, gas or other hydrocarbon substances or any mineral of any kind on or under the surface of the Property. If Mortgagor is a corporation, "Accelerating Transfer" also means any transfer or transfers of shares possessing, in the aggregate, more than fifty percent (50%) of the voting power. If Mortgagor is a partnership, "Accelerating Transfer" also means withdrawal or removal of any general partner, dissolution of the partnership under applicable law, or any transfer or transfers of, in the aggregate, more than fifty percent (50%) of the partnership interests. If Mortgagor is a limited liability company, "Accelerating Transfer" also means withdrawal or removal of any managing member, termination of the limited liability company or any transfer or transfers of, in the aggregate, more than fifty percent (50%) of the voting power or in the aggregate more than fifty percent (50%) of the ownership of the economic interest in the Mortgagor.

(b) Mortgagor acknowledges that Lender is making one or more advances under the Note and/or Loan Agreement in reliance on the expertise, skill and experience of Mortgagor, thus the Secured Obligations include material elements similar in nature to a personal service contract. In consideration of Lender's reliance, Mortgagor agrees that Mortgagor shall not make any Accelerating Transfer, unless the transfer is preceded by Lender's express written consent to the particular transaction and transfer. Lender may withhold such consent in its sole discretion. If any Accelerating Transfer occurs, Lender in its sole discretion may declare all of the Secured Obligations to be immediately due and payable, and Lender may invoke any rights and remedies provided by Paragraph 6.3 of this Mortgage. Mortgagor acknowledges the materiality of the provisions of this Paragraph 6.1 as a covenant of Mortgagor, given individual weight and consideration by Lender in extending the Secured Obligations, and that any Accelerating Transfer in violation of the permitted transfer provisions herein set forth shall result in a material impairment of Lender's interest in the Property and be deemed to be a breach of the foregoing covenant.

6.2 Events of Default. The occurrence of any one or more of the following events, at the option of Lender, shall constitute an event of default ("Event of Default") under this Mortgage:

(a) Borrower and/or Mortgagor fails to make any payment, when due, under the Note or any other of the Loan Documents (after giving effect to any applicable grace period), or any other default occurs under and as defined in the Loan Documents or in any other instrument or agreement evidencing any of the Secured Obligations and such default continues beyond any applicable cure period;

(b) Mortgagor fails to make any payment or perform any obligation which arises under this Mortgage other than one to pay money and does not cure that failure within ten (10) days after written notice from Lender to Mortgagor;

(c) Mortgagor makes or permits the occurrence of an Accelerating Transfer in violation of Paragraph 6.1;

(d) Any representation or warranty made in connection with this Mortgage or the Secured Obligations proves to have been false or misleading in any material respect when made;

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(e) Any default occurs under any other mortgage on all or any part of the Property, or under any obligation secured by such mortgage, whether such mortgage is prior to or subordinate to this Mortgage;

(f) Any individual that has guaranteed the Note and/or any of the Secured Obligations ("Guarantor") dies, except that it shall not be an Event of Default under this Mortgage if within thirty (30) days of the death of the Guarantor the Mortgagor causes a substitute guarantor ("Substitute Guarantor") to execute a new guaranty. The new guaranty shall be in the same form as the guaranty of the deceased Guarantor, and the Substitute Guarantor must have a net worth equal to or greater than the net worth of the deceased Guarantor, as reasonably determined by Lender in Lender's sole but reasonable discretion.

(g) An event occurs which gives Lender the right or option to terminate any Swap Contract secured by this Mortgage; or

(h) A Default (as defined in the Loan Agreement) occurs or any other event of default occurs and is continuing under any of the Loan Documents, including but not limited to the Note and the Andersonville Flats Residential, LLC Mortgage.

6.3 Remedies At any time after the occurrence of an Event of Default, Lender shall be entitled to invoke any and all of the rights and remedies described below, as well as any other rights and remedies authorized by law. All of such rights and remedies shall be cumulative, and the exercise of any one or more of them shall not constitute an election of remedies.

(a) Lender may declare any or all of the Secured Obligations to be due and payable immediately.

(b) Lender may apply to any court of competent jurisdiction for, and obtain appointment of, a receiver for the Property, pursuant to applicable law, including the Illinois Act (as hereinafter defined), without notice and without regard for the adequacy of the security for the Secured Obligations and without regard for the solvency of the Mortgagor, any guarantor, or any indemnitor with respect to the payment of the Secured Obligations. Any receiver appointed pursuant to the Illinois Act shall have all powers and duties prescribed by the Illinois Act, including the power to take possession, control and care of the Property, and to collect rents (including, but not limited to any delinquent rents) thereof during the pendency of such foreclosure suit and to apply the funds received towards the Secured Obligations.

(c) Lender, in person, by agent or by court-appointed receiver, may enter, take possession of, manage and operate all or any part of the Property, and in its own name or in the name of Mortgagor sue for or otherwise collect any and all Rents, including those that are past due, and may also do any and all other things in connection with those actions that Lender may in its sole discretion consider necessary and appropriate to protect the security of this Mortgage. Such other things may include: entering into, enforcing, modifying, or canceling leases on such terms and conditions as Lender may consider proper; obtaining and evicting tenants; fixing or modifying Rents; completing any unfinished construction; contracting for and making repairs and alterations; performing such acts of cultivation or irrigation as necessary to conserve the value of the Property; and preparing for harvest, harvesting and selling any crops that may be growing on the property. Mortgagor hereby irrevocably constitutes and appoints Lender as its attorney-in-fact to perform such acts and execute such documents as Lender in its sole discretion may consider to be appropriate in connection with taking these measures, including endorsement of Mortgagor's name on any instruments. Mortgagor agrees to deliver to Lender all books and records pertaining to the Property, including computer-readable memory and any computer hardware or software necessary to access or process such memory, as may reasonably be requested by Lender in order to enable Lender to exercise its rights under this Paragraph.

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(d) Lender may cure any breach or default of Mortgagor, and if it chooses to do so in connection with any such cure, Lender may also enter the Property and/or do any and all other things which it may in its sole discretion consider necessary and appropriate to protect the security of this Mortgage. Such other things may include: appearing in and/or defending any action or proceeding which purports to affect the security of, or the rights or powers of Lender under, this Mortgage; paying, purchasing, contesting or compromising any encumbrance, charge, lien or claim of lien which in Lender's sole judgment is or may be senior in priority to this Mortgage, such judgment of Lender to be conclusive as among the parties to this Mortgage; obtaining insurance and/or paying any premiums or charges for insurance required to be carried under this Mortgage; otherwise caring for and protecting any and all of the Property; and/or employing counsel, accountants, contractors and other appropriate persons to assist Lender. Lender may take any of the actions permitted hereunder either with or without giving notice to any person.

(e) Lender may bring an action in any court of competent jurisdiction to foreclose this instrument or to obtain specific enforcement of any of the covenants or agreements of this Mortgage.

(f) Lender may exercise the remedies contained in the Loan Documents or in any other instrument or agreement evidencing any of the Secured Obligations.

(g) Lender may proceed under the Uniform Commercial Code as to all or any part of the Personalty, and in conjunction therewith may exercise all of the rights, remedies and powers of a secured creditor under the Uniform Commercial Code. When all time periods then legally mandated have expired, and after such notice of sale as may then be legally required has been given, Lender may sell the Personalty at a public sale to be held at the time and place specified in the notice of sale. It shall be deemed commercially reasonable for the Lender to dispose of the Personalty without giving any warranties as to the Personalty and specifically disclaiming all disposition warranties.

(h) If any provision of this Mortgage is inconsistent with any applicable provision of the Illinois Mortgage Foreclosure Law, Illinois Compiled Statutes Chapter 735, Section 5/15-1101 et seq. (the "Illinois Act"), the provisions of the Illinois Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can fairly be construed in a manner consistent with the Illinois Act.

(i) Without in any way limiting or restricting any of the Lender's rights, remedies, powers and authorities under this Mortgage, and in addition to all of such rights, remedies, powers, and authorities, the Lender shall also have and may exercise any and all rights, remedies, powers and authorities which the holder of a mortgage is permitted to have or exercise under the provisions of the Illinois Act, as the same may be amended from time to time. If any provision of this Mortgage shall grant to the Lender any rights, remedies, powers or authorities upon default of Mortgagor which are more limited than the rights that would otherwise be vested in the Lender under the Illinois Act in the absence of said provision, the Lender shall be vested with all of the rights, remedies, powers and authorities granted in the Illinois Act to the fullest extent permitted by law.

(j) Without limiting the generality of the foregoing, all expenses incurred by the Lender, to the extent reimbursable, under Sections 5/15-1510, 5/15-1512, or any other provision of the Illinois Act, whether incurred before or after any decree or judgment of foreclosure, and whether or not enumerated in any other provision of this Mortgage, shall be added to the indebtedness secured by this Mortgage and by the judgment of foreclosure.

(k) Mortgagor waives, to the extent permitted by law, (a) the benefit of all laws now existing or that may hereafter be enacted providing for any appraisalment before sale of any portion of the Property, (b) all rights of reinstatement, redemption, valuation, appraisalment,

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homestead, moratorium, exemption, extension, stay of execution, notice of election to mature or declare due the whole of the Secured Obligations in the event of foreclosure of the liens hereby created, (c) all rights and remedies which Mortgagor may have or be able to assert by reason of the laws of the State of Illinois pertaining to the rights and remedies of sureties, (d) the right to assert any statute of limitations as a bar to the enforcement of the lien of this Mortgage or to any action brought to enforce the Loan Documents or any other Secured Obligations, and (e) any rights, legal or equitable, to require marshaling of assets or to require foreclosure sales in a particular order. Without limiting the generality of the preceding sentence, Mortgagor, on its own behalf and on behalf of each and every person acquiring any interest in or title to the Property subsequent to the date of this Mortgage, to the extent permitted by law, hereby irrevocably waives any and all rights of reinstatement or redemption from sale or from or under any order, judgment or decree of foreclosure of this Mortgage or under any power contained herein or under any sale pursuant to any statute, order, decree or judgment of any court. Mortgagor, for itself and for all persons hereafter claiming through or under it or who may at any time hereafter become holders of liens junior to the lien of this Mortgage, hereby expressly waives and releases all rights to direct the order in which any of the Property shall be sold in the event of any sale or sales pursuant hereto and to have any of the Property and/or any other property now or hereafter constituting security for any of the indebtedness secured hereby marshaled upon any foreclosure of this Mortgage or of any other security for any of said indebtedness. The Lender shall have the right to determine the order in which any or all of the Property shall be subjected to the remedies provided herein. The Lender shall have the right to determine the order in which any or all portions of the Secured Obligations are satisfied from the proceeds realized upon the exercise of the remedies provided herein. NOTWITHSTANDING ANY OF THE PROVISIONS TO THE CONTRARY CONTAINED IN THIS MORTGAGE, MORTGAGOR HEREBY WAIVES, TO THE EXTENT PERMITTED UNDER SECTION 5/15-1601(b) OF THE ILLINOIS ACT OR ANY SIMILAR APPLICABLE LAW EXISTING AFTER THE DATE OF THIS MORTGAGE, ANY AND ALL RIGHTS OF REDEMPTION OR REINSTATEMENT ON MORTGAGOR'S BEHALF AND ON BEHALF OF ANY OTHER PERSONS PERMITTED TO REDEEM THE PROPERTY. MORTGAGOR WAIVES ALL RIGHTS OF REINSTATEMENT UNDER SECTION 5/15-1602 OF THE ILLINOIS ACT TO THE FULLEST EXTENT PERMITTED BY ILLINOIS LAW.

6.4 Application of Sale Proceeds and Rents.

(a) Lender shall apply the proceeds of any sale of the Property in the following manner: first, to pay the portion of the Secured Obligations attributable to the costs, fees and expenses of the sale, including costs of evidence of title in connection with the sale; and, second, to pay all other Secured Obligations in any order and proportions as Lender in its sole discretion may choose. The remainder, if any, shall be remitted to the person or persons entitled thereto.

(b) Lender shall apply any and all Rents collected by it, and any and all sums other than proceeds of any sale of the Property which Lender may receive or collect under Paragraph 6.3, in the following manner: first, to pay the portion of the Secured Obligations attributable to the costs and expenses of operation and collection that may be incurred by Lender or any receiver; and, second, to pay all other Secured Obligations in any order and proportions as Lender in its sole discretion may choose. The remainder, if any, shall be remitted to the person or persons entitled thereto. Lender shall have no liability for any funds which it does not actually receive.

7. MISCELLANEOUS PROVISIONS

7.1 No Waiver or Cure.

(a) Each waiver by Lender must be in writing, and no waiver shall be construed as a continuing waiver. No waiver shall be implied from any delay or failure by Lender to take action on account of any default of Mortgagor. Consent by Lender to any act or omission by

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Mortgagor shall not be construed as a consent to any other or subsequent act or omission or to waive the requirement for Lender's consent to be obtained in any future or other instance.

(b) If any of the events described below occurs, that event alone shall not cure or waive any breach, Event of Default or notice of default under this Mortgage or invalidate any act performed pursuant to any such default or notice; or nullify the effect of any notice of default or sale (unless all Secured Obligations then due have been paid and performed); or impair the security of this Mortgage; or prejudice Lender or any receiver in the exercise of any right or remedy afforded any of them under this Mortgage; or be construed as an affirmation by Lender of any tenancy, lease or option, or a subordination of the lien of this Mortgage:

(i) Lender, its agent or a receiver takes possession of all or any part of the Property;

(ii) Lender collects and applies Rents, either with or without taking possession of all or any part of the Property;

(iii) Lender receives and applies to any Secured Obligation proceeds of any Property, including any proceeds of insurance policies, condemnation awards, or other claims, property or rights assigned to Lender under this Mortgage;

(iv) Lender makes a site visit, observes the Property and/or conducts tests thereon;

(v) Lender receives any sums under this Mortgage or any proceeds of any collateral held for any of the Secured Obligations, and applies them to one or more Secured Obligations;

(vi) Lender or any receiver performs any act which it is empowered or authorized to perform under this Mortgage or invokes any right or remedy provided under this Mortgage.

7.2 Powers of Lender. Lender may take any of the actions permitted under Paragraphs 6.3(b) and/or 6.3(c) regardless of the adequacy of the security for the Secured Obligations, or whether any or all of the Secured Obligations have been declared to be immediately due and payable, or whether notice of default and election to sell has been given under this Mortgage.

7.3 Reserved.

7.4 Merger. No merger shall occur as a result of Lender's acquiring any other estate in or any other lien on the Property unless Lender consents to a merger in writing.

7.5 Joint and Several Liability. If Mortgagor consists of more than one person, each shall be jointly and severally liable for the faithful performance of all of Mortgagor's obligations under this Mortgage.

7.6 Applicable Law. THIS MORTGAGE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ILLINOIS.

7.7 Successors in Interest. The terms, covenants and conditions of this Mortgage shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties. However, this Paragraph does not waive the provisions of Paragraph 6.1.

7.8. CONSENT TO JURISDICTION. TO INDUCE LENDER TO ACCEPT THIS MORTGAGE, MORTGAGOR IRREVOCABLY AGREES THAT, SUBJECT TO THE LENDER'S SOLE AND ABSOLUTE ELECTION, ALL ACTIONS OR PROCEEDINGS IN ANY WAY ARISING OUT OF OR

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RELATED TO THIS MORTGAGE WILL BE LITIGATED IN COURTS HAVING SITUS IN COOK COUNTY, ILLINOIS. MORTGAGOR HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY COURT LOCATED WITHIN COOK COUNTY, ILLINOIS, WAIVES PERSONAL SERVICE OF PROCESS UPON MORTGAGOR, AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY REGISTERED MAIL DIRECTED TO MORTGAGOR AT THE ADDRESS STATED ON THE SIGNATURE PAGE HEREOF AND SERVICE SO MADE WILL BE DEEMED TO BE COMPLETED UPON ACTUAL RECEIPT.

7.9. WAIVER OF JURY TRIAL. MORTGAGOR AND LENDER EACH WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (a) UNDER THIS MORTGAGE OR ANY RELATED AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS MORTGAGE OR (B) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS MORTGAGE, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. MORTGAGOR AGREES THAT IT WILL NOT ASSERT ANY CLAIM AGAINST LENDER OR ANY OTHER PERSON INDEMNIFIED UNDER THIS AGREEMENT ON ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.

7.10 Interpretation. Whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa, and each gender will include any other gender. The captions of the sections of this Mortgage are for convenience only and do not define or limit any terms or provisions. The word "include(s)" means "include(s), without limitation," and the word "including" means "including, but not limited to." The word "obligations" is used in its broadest and most comprehensive sense, and includes all primary, secondary, direct, indirect, fixed and contingent obligations. It further includes all principal, interest, prepayment charges, late charges, loan fees and any other fees and charges accruing or assessed at any time, as well as all obligations to perform acts or satisfy conditions. No listing of specific instances, items or matters in any way limits the scope or generality of any language of this Mortgage. The Exhibits to this Mortgage are hereby incorporated in this Mortgage.

7.11 In-House Counsel Fees. Whenever Mortgagor is obligated to pay or reimburse Lender for any attorneys' fees, those fees shall include the allocated costs for services of in-house counsel to the extent permitted by applicable law.

7.12 Waiver of Marshaling. Mortgagor waives all rights, legal and equitable, it may now or hereafter have to require marshaling of assets or to direct the order in which any of the Property will be sold in the event of any sale under this Mortgage. Each successor and assign of Mortgagor, including any holder of a lien subordinate to this Mortgage, by acceptance of its interest or lien, agrees that it shall be bound by the above waiver, as if it had given the waiver itself.

7.13 Waiver of Homestead. Mortgagor hereby abandons and waives all claims of homestead on the Property and does hereby forever release and discharge the Property from any and all claims of homestead.

7.14 Severability. If any provision of this Mortgage should be held unenforceable or void, that provision shall be deemed severable from the remaining provisions and in no way affect the validity of this Mortgage except that if such provision relates to the payment of any monetary sum, then Lender may, at its option, declare all Secured Obligations immediately due and payable.

7.15 Notices. Mortgagor hereby requests that a copy of notice of default and notice of sale be mailed to it at the address set forth below. That address is also the mailing address of Mortgagor (as Debtor) under the Uniform Commercial Code. Lender's address given below is the address for Lender (as Secured Party) under the Uniform Commercial Code.

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Addresses for Notices to Mortgagor:

Andersonville Flats Commercial, LLC
c/o CK2 Development, LLC
225 West Ohio Street, 6th Floor
Chicago, Illinois 60654
Attention: Colin M. Kihnke

Address for Notices to Lender:

First Bank of Highland Park
633 Skokie Boulevard, Suite 322
Northbrook, Illinois 60062
Attn: Commercial Real Estate Loan Operations Manager

7.16 Business Loan. Mortgagor stipulates, represents, warrants, affirms and agrees that each of the loans and other obligations secured hereby constitute a "business loan" within the meaning of the Illinois Compiled Statutes, Chapter 815, Sections 205/4(a) or (c), as amended.

7.17 No Property Manager Lien. Any property management agreement for or relating to all or any part of the Property, whether now in effect or entered into hereafter by Mortgagor or on behalf of Mortgagor, shall contain a subordination provision whereby the property manager forever and unconditionally subordinates to the lien of this Mortgage any and all mechanic's lien rights and claims that it or anyone claiming through or under it may have at any time pursuant to any statute or law, including, without limitation, Illinois Compiled Statutes, Chapter 770, Section 60/1), as amended. Such property management agreement or a short form thereof, including such subordination, shall, at the Lender's request, be recorded with the office of the recorder of deeds for the county in which the Property is located. Mortgagor's failure to cause any of the foregoing to occur shall constitute an Event of Default under this Mortgage.

7.18 Not Agricultural Land. Mortgagor acknowledges that the Property does not constitute agricultural real estate as defined in Section 15/1201 of the Illinois Act or residential real estate as defined in Section 15/1219 of the Illinois Act.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, Mortgagor has executed this Mortgage as of the date first above written.

MORTGAGOR:

ANDERSONVILLE FLATS COMMERCIAL, LLC,
an Illinois limited liability company

By: CK2 Development, LLC, an Illinois limited liability
company
Its: Manager

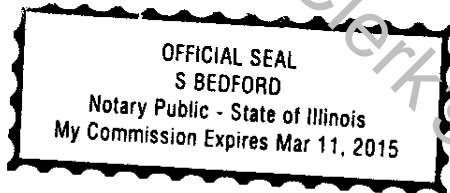
By: _____
Colin M. Kihnke, Manager

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Shirley S. Bedford, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Colin M. Kihnke, the Manager of CK2 Development, LLC, an Illinois limited liability company, the Manager of Andersonville Flats Commercial, LLC, an Illinois limited liability company, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said company, for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 1 day of January, 2013.

Shirley S. Bedford
Notary Public



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EXHIBIT A

The Property is described as follows:

PARCEL 1A: COMMERCIAL PROPERTY (SOUTH BUILDING - 4814)

THAT PART OF THE PROPERTY AND SPACE COMPRISED OF PARTS OF LOTS 5, 6, 7 AND 8 IN BLOCK 1 IN KEENEY'S ADDITION TO RAVENSWOOD, BEING A SUBDIVISION OF PART OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 7 AND A PART OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 8, BOTH IN TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, SAID PART OF THE PROPERTY AND SPACE LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 40.27 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF 22.85 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN THE BOUNDARIES, PROJECTED VERTICALLY OF THAT PART OF SAID LOTS (TAKEN TOGETHER AS ONE PARCEL) BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 8; THENCE NORTH 03 DEGREES, 33 MINUTES, 48 SECONDS WEST ALONG THE EAST LINE OF SAID LOTS 5, 6, 7 AND 8 A DISTANCE OF 163.37 FEET; THENCE NORTH 89 DEGREES, 42 MINUTES, 29 SECONDS WEST, A DISTANCE OF 85.63 FEET; THENCE SOUTH 00 DEGREES, 02 MINUTES, 01 SECONDS WEST, A DISTANCE OF 65.92 FEET; THENCE SOUTH 89 DEGREES 57 MINUTES 59 SECONDS EAST, A DISTANCE OF 1.27 FEET; THENCE SOUTH 43 DEGREES 34 MINUTES 48 SECONDS EAST, A DISTANCE OF 17.47 FEET; THENCE SOUTH 89 DEGREES 42 MINUTES 29 SECONDS EAST, A DISTANCE OF 21.27 FEET; THENCE SOUTH 00 DEGREES 17 MINUTES 31 SECONDS WEST, A DISTANCE OF 41.83 FEET; THENCE NORTH 89 DEGREES 42 MINUTES 29 SECONDS WEST, A DISTANCE OF 6.44 FEET; THENCE SOUTH 00 DEGREES 17 MINUTES 31 SECONDS WEST, A DISTANCE OF 42.67 FEET TO THE SOUTH LINE OF SAID LOT 8; THENCE SOUTH 89 DEGREES 42 MINUTES 29 SECONDS EAST ALONG THE SOUTH LINE OF SAID LOT 8, A DISTANCE OF 68.13 FEET TO THE POINT OF BEGINNING.

PARCEL 1B:

A NON-EXCLUSIVE EASEMENT FOR PEDESTRIAN AND VEHICULAR INGRESS AND EGRESS FOR THE BENEFIT OF PARCEL 2A AS CREATED BY THE DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS DATED AUGUST 31, 2007 AND RECORDED SEPTEMBER 11, 2007 AS DOCUMENT 0725416065, AS AMENDED BY SPECIAL AMENDMENT RECORDED JUNE 9, 2008 AS DOCUMENT 0816129042 OVER THE FOLLOWING DESCRIBED LAND:

THE COMMON ELEMENTS OF THE KINETIC LOFTS AT RAINBO VILLAGE CONDOMINIUM WHICH SURVEY IS ATTACHED AS EXHIBIT "D" TO THE DECLARATION OF CONDOMINIUM RECORDED SEPTEMBER 11, 2007 AS DOCUMENT NUMBER 0725415119, AS AMENDED BY FIRST AMENDMENT TO SAID DECLARATION RECORDED JANUARY 7, 2008 AS DOCUMENT 0800731091 AND AS AMENDED BY ADD-ON AMENDMENT RECORDED AUGUST 9, 2008 AS DOCUMENT 0816144006.

PARCEL 2A: COMMERCIAL PROPERTY (NORTH BUILDING - 4846)

THAT PART OF THE PROPERTY AND SPACE COMPRISED OF PARTS OF LOTS 2, 3, 4 AND 5 IN BLOCK 1 IN KEENEY'S ADDITION TO RAVENSWOOD, BEING A SUBDIVISION OF PART OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 7 AND A PART OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 8, BOTH IN TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, SAID PART OF THE PROPERTY AND SPACE LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 40.33 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF 22.90 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN THE BOUNDARIES, PROJECTED VERTICALLY OF THAT PART

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OF SAID LOTS (TAKEN TOGETHER AS ONE PARCEL) BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF LOT 8 IN SAID BLOCK 1 IN KEENEY'S ADDITION TO RAVENSWOOD; THENCE NORTH 03 DEGREES, 33 MINUTES 48 SECONDS WEST ALONG THE EAST LINE OF LOTS 5, 6, 7 AND 8 IN SAID BLOCK 1 IN KEENEY'S ADDITION, A DISTANCE OF 189.87 FEET TO THE POINT OF BEGINNING AT THE SOUTHEAST CORNER OF SAID PROPERTY AND SPACE; THENCE CONTINUING NORTH 03 DEGREES, 33 MINUTES 48 SECONDS WEST ALONG THE EAST LINE OF SAID LOTS 2, 3, 4 AND 5, A DISTANCE OF 161.34 FEET TO THE NORTHEAST CORNER OF SAID LOT 2; THENCE NORTH 89 DEGREES 49 MINUTES 19 SECONDS WEST ALONG THE NORTH LINE OF LOT 2, A DISTANCE OF 39.33 FEET; THENCE SOUTH 00 DEGREES 10 MINUTES 41 SECONDS WEST, A DISTANCE OF 81.10 FEET; THENCE NORTH 89 DEGREES 49 MINUTES 19 SECONDS WEST, A DISTANCE OF 21.24 FEET; THENCE SOUTH 43 DEGREES 35 MINUTES 22 SECONDS WEST, A DISTANCE OF 17.69 FEET; THENCE NORTH 89 DEGREES 57 MINUTES 59 SECONDS WEST, A DISTANCE OF 0.80 FEET; THENCE SOUTH 00 DEGREES 02 MINUTES 01 SECONDS WEST, A DISTANCE OF 67.05 FEET; THENCE SOUTH 89 DEGREES 49 MINUTES 19 SECONDS EAST, A DISTANCE OF 83.89 FEET TO THE POINT OF BEGINNING.

PARCEL 2B:

A NON-EXCLUSIVE EASEMENT FOR PEDESTRIAN AND VEHICULAR INGRESS AND EGRESS FOR THE BENEFIT OF PARCEL 3A AS CREATED BY THE DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS DATED AUGUST 31, 2007 AND RECORDED SEPTEMBER 11, 2007 AS DOCUMENT 0725416065, AS AMENDED BY SPECIAL AMENDMENT RECORDED JUNE 9, 2008 AS DOCUMENT 0816129042 OVER THE FOLLOWING DESCRIBED LAND:

THE COMMON ELEMENTS OF THE KINETIC LOFTS AT RAINBO VILLAGE CONDOMINIUM WHICH SURVEY IS ATTACHED AS EXHIBIT "D" TO THE DECLARATION OF CONDOMINIUM RECORDED SEPTEMBER 11, 2007 AS DOCUMENT NUMBER 0725415119, AS AMENDED BY FIRST AMENDMENT TO SAID DECLARATION RECORDED JANUARY 7, 2008 AS DOCUMENT 0800731091 AND AS AMENDED BY ADD-ON AMENDMENT RECORDED AUGUST 9, 2008 AS DOCUMENT 0816144006.

Tax PIN:14-08-315-057-0000

Street Address: 4814 - 4846 N. Clark Street, Chicago, Illinois.